THE HON'BLE SRI JUSTICE V.ESWARAIAH

W.P.NO.26847 OF 2005

Dt.16.12.2005

Between:

M/s.Bhaskar Agro Chemicals Ltd.,
Unit No.1, Toophranpet, Choutuppal Mandal,
Nalgonda District, rep. by its Managing Director
Pattabhi Rama Rao … Petitioner

And

Employees Provident Fund Organisation,
Andhra Pradesh, Hyderabad, rep. by its
Regional Provident Fund Commissioner,
Hyderabad and another. … Respondents

ORDER:

Heard the learned counsel for the petitioner as well as the learned Standing Counsel for the respondents.

It is stated that the petitioner company is covered by the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and it became due and payable certain amounts. It is stated that as per the letter dated 17.12.2003 of the 2nd respondent the total amount due and payable by the petitioner was only Rs.3,47,085/- and the petitioner is not disputing the payment of the said amount. However, it is stated that the petitioner's industry became sick and the Board for Industrial and Finance Reconstruction (BIFR) has taken to salvage the petitioner's industry as per the proceedings dated 16.11.2005 in para 16 that the ESIC and EPF authorities shall convey their dues with break-up into principal, interest, penalties etc., to the Operating Agency. But so far the amounts payable to the respondents have not communicated. It is further stated that the 2nd respondent issued proclamation dated 2.12.2005 fixing the amount due and payable by

the petitioner as Rs.11,18,908/- excluding costs and interest and fixed the date of sale of the petitioner unit on 5.1.2006. As against the said proclamation, the petitioner filed a representation dated 5.12.2005 stating that the company was referred to BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and the reference is pending before the BIFR in proceeding No.140/2002. It is further stated that the petitioner has also paid Rs.1,00,000/- on 17.3.2005 out of the said total amount of Rs.11,18,908/-. It is further stated that if the schedule property of the petitioner unit is sold, it would be very difficult to revive the sick company more specifically when the BIFR ordered on 16.11.2005 for preparation of revival package and having found the genuineness in favour of the petitioner sick industry. Accordingly, the petitioner requested to grant reasonable instalments so as to enable the petitioner to clear the total claim amount of Rs.10,18,958/- after deducting the amount already paid on 17.3.2005.

Having regard to the facts and circumstances of the case, I am of the opinion that it is just and proper to grant instalments as requested by the petitioner. Accordingly, the petitioner is granted 12 equal instalments to clear the provident fund amount due and payable by the petitioner, after deducting the amount already paid, commencing from 10.1.2006. If the petitioner continues to pay the said equal instalment every month commencing from 10.1.2006, there shall be stay of operation of the proclamation of sale dated 2.12.2005. If any of the instalment is not paid, it is open for the respondents to issue fresh proclamation for sale of the property of the petitioner.

The writ petition is accordingly disposed of. No costs.

(V.ESWARAIAH, J.)

16.12.2005

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